

Economic Impacts

A Few Questions

Categories to think about

- Local Economic Development
 - Benefits/Costs
- NC Energy Portfolio
 - Energy Prices
 - Energy Security/Independence
- Environmental Impacts / Hazard Preparedness

Exploration: Benefits (Local Economic Development)

- Offshore activities
 - Jobs: wages go where?
- Onshore technical/physical support of operations
 - Jobs
 - Tax base
- Suspect the above are modest.

Exploration: Costs

- Offshore ecosystem impacts
- Risk mitigation / Hazard preparedness
- Onshore externalities associated with exploration?

Production Benefits: Local Economic Development

- Offshore activities
 - Jobs: wages go where?
- Onshore facilities
 - Jobs
 - Tax base
 - Cost of Community Services
- The above are not modest, but easily understood.

Production Benefits: Royalties

- Royalty Sharing Agreements
 - Louisiana royalty sharing
 - Administration sharing of renewable energy lease royalties

=> nonrenewable sharing coming?

Oil Production Benefits: Energy Prices in NC

- No benefits associated with oil production, locally or nationally.
- Energy security/independence? No.
 - Oil is global market, incrementing production with mid-Atlantic will not affect prices in US or anywhere.

Natural Gas Production Benefits: Energy Prices in NC

- Natural Gas more regional
- Energy price impacts?
- LNG?

Production Costs

- Environmental impacts:
 - Unanticipated releases – offshore, transportation, onshore facilities
 - Offshore ecosystem impacts
 - Transportation system ecosystem impacts
 - Air quality impacts
 - Water quantity/quality impacts
 - Sight/noise externalities (land-use externalities)

Production Costs

- Conflicting Economic Base
 - Amenity-based Economies vs. Industrial Activity